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5. 6704

CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D.C. 20505

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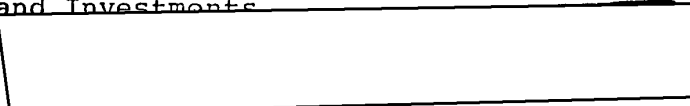


24 December 1974

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MEMORANDUM FOR: Mr. Joseph Kvasnicka
Council of Economic Advisors
Old Executive Office Building

SUBJECT : Estimated OPEC Oil Earnings, Receipts,
and Investments



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1. The attached tables are in response to your recent request for our estimates of OPEC oil earnings (accruals), receipts, and investments.

2. Tables 1 and 2 provide estimates of oil earnings during 1974. These estimates are derived from data collected on oil prices and actual and estimated oil production and exports. OPEC earnings have remained constant throughout the year. The increases in oil prices have been offset by production cuts.

3. Tables 3 and 4 provide estimates of oil receipts during 1974. Accrued earnings and actual receipts have differed substantially. Receipts have risen rapidly from quarter to quarter because of the lag between oil production and payments. This lag is due to both traditional credits allowed on oil payments and special extended credits granted by several producers during the first half of the year.

4. Tables 5 and 6 provide preliminary estimates of producers' projected investable surplus and the geographic location of OPEC investment at year's end. OPEC's investable surplus will rise dramatically this year. Since data on OPEC imports and services are sketchy at best, our estimates are subject to a substantial margin of error. If our forecasts for imports and for export receipts from oil and other goods are borne out, the OPEC countries' investable surplus will total about \$60 billion.

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5. The bulk of producer surplus will be placed in the capital markets of developed countries. The relative importance of the major financial centers has changed substantially over the year, however. At the end of 1973, only about 13% of OPEC's wealth was in the United States, compared with about 25% at the end of 1974.

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6. [REDACTED] will be pleased to answer any additional questions you may have on this subject.

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Attachments:
As stated

Distribution: (S-6704)

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(24 December 1974)

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TABLE 1

OPEC COUNTRIES: ESTIMATED OIL EARNINGS
BY MONTH, 1974

(Million US \$)

January	8,852
February	8,105
March	9,229
April	8,944
May	9,343
June	8,939
July	8,814
August	8,525
September	8,254
October	8,879
November	8,614
December	<u>8,902</u>
 TOTAL	 105,400

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TABLE 2

OPEC COUNTRIES: ESTIMATED OIL EARNINGS
BY COUNTRY, 1974

(Million US \$)

Algeria	4,108
Ecuador	546
Indonesia	3,517
Iran	20,303
Iraq	5,834
Kuwait	8,631
Libya	6,706
Nigeria	8,691
Qatar	1,850
Saudi Arabia	29,944
United Arab Emirates	6,550
Venezuela	<u>8,720</u>
TOTAL	105,400

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TABLE 3

OPEC COUNTRIES: ESTIMATED OIL RECEIPTS
BY MONTH, 1974

(Million US \$)

January	3,724
February	4,060
March	4,287
April	8,806
May	5,681
June	7,541
July	11,005
August	8,133
September	10,560
October	10,868
November	10,959
December	<u>8,676</u>
TOTAL	94,300

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TABLE 4

OPEC COUNTRIES: ESTIMATED OIL RECEIPTS
BY COUNTRY, 1974

(Million US \$)

Algeria	3,729
Ecuador	552
Indonesia	2,946
Iran	18,158
Iraq	5,077
Kuwait	7,377
Libya	6,685
Nigeria	8,626
Qatar	1,525
Saudi Arabia	24,605
United Arab Emirates	6,549
Venezuela	<u>8,470</u>
TOTAL	94,300

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TABLE 5

OPEC COUNTRIES: INVESTABLE SURPLUS, 1974

(Billion US \$)

Export Receipts	99.6
Oil	94.3
Non-Oil	5.3
Import Payments (f.o.b.)	30.4
Trade Balance	69.2
Foreign Aid	5.0
Net Services	-3.5
 Investable Surplus	 60.7

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TABLE 6

OPEC COUNTRIES: ESTIMATED LOCATION
OF GOVERNMENT FOREIGN ASSETS
31 December 1974

	<u>Percent</u>
United States	25
United Kingdom	40
of which:	
Sterling	10
Eurodollars	30
Continental Europe and Japan	25
Others, including International Organizations	10

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